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CAMPAIGN FINANCE GUIDE
FOR
CANDIDATES
FOR THE
MASSACHUSETTS GENERAL COURT

OFFICE OF
CAMPAIGN
and
POLITICAL
FINANCE

Commonwealth
of Massachusetts

904/098



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This brochure is designed to introduce the state campaign finance laws to individuals interested in seeking election to the Massachusetts House of Representatives or the Massachusetts Senate. The Office of Campaign and Political Finance (“OCPF”) is empowered to administer and enforce Massachusetts General Laws Chapter 55 which governs campaign finance activity. The Office is available to assist individuals in complying with the statute and encourages candidates, treasurers, committee members, campaign workers and any interested person to familiarize themselves with these laws and regulations.

This publication is meant only to be an introductory guide to the campaign finance laws, not a substitute for them. It is the responsibility of all those participating in political campaign financing in Massachusetts to become familiar with the provisions of the laws and regulations. Violations of the laws carry serious penalties of fines, imprisonment or both. For additional information, please contact the

Office of Campaign and Political Finance
One Ashburton Place
Boston, MA 02108
(617)727-8352
(800)462-OCPF

About the Office _____

Chapter 1173 of the Acts of 1973 strengthened the state campaign finance laws and established the Office of Campaign and Political Finance in what is commonly referred to as a reaction to Watergate. In truth, however, the push for reforms in campaign finance disclosure laws was already well under way in states all across the country. Portions of the campaign finance laws have been on the books in Massachusetts since as early as 1884, originally legislated under Chapter 320 of the Acts of that year. Some of those original laws are the restrictions that are placed on public employees and will be discussed later in this brochure.

The Campaign Finance Laws _____

Chapter 55 of the Massachusetts General Laws is a comprehensive statute concerning the financing of political campaigns in the Commonwealth. The statute requires, for example, that candidates and political committees disclose contributions received and expenditures made.

The campaign finance laws also provide for limitations, and in some cases absolute prohibitions, on certain sources of campaign contributions. Additionally, the way in which campaign funds may be spent is regulated through the statute as well as through regulations and guidelines established by the Office. Chapter 55 also regulates certain conduct surrounding the raising and spending of campaign funds, such as the activities of public employees and the prohibited use of governmental resources for political purposes.

The General Court Candidate _____

If you are thinking about running for elective office, you should contact OCPF before undertaking any activity. The statute has a very broad definition of "candidate." An individual may be considered a candidate under the law well before any formal announcement is made.

This brochure is designed to address issues concerning candidates for the General Court. This includes **candidates** for nomination or election to the State Senate or House of Representatives, so-called "non-depository" candidates. An individual who accepts a contribution or makes an expenditure may thereby become a candidate even though he/she does not take out nomination papers. Activities of the **treasurer** of a political committee organized on behalf of a candidate for the General Court are also covered in this brochure.

A **candidate** who currently has filing requirements with a city or town and is a candidate for the State Senate or House of Representatives should contact this Office for the proper filing procedure.

Forms

In order to familiarize you with the appropriate forms required for non-depository candidates, a summary of these forms and an explanation of their purpose is provided here. OCPF will review these procedures with you upon request.

FORM CPF 101ND: Statement of Organization of a Political Committee

Although the law does not require one, most candidates have a committee organized on their behalf. A public employee who runs for elected office is required by law to organize a committee that will raise funds for his/her campaign, since such employee is prohibited from fundraising.

A political committee may not accept any contributions nor incur any expenses until the **treasurer** qualifies for the office of treasurer by completing, with his/her signature, and filing **FORM CPF 101ND** with the Office.

This form contains the names and addresses of the committee chairman, treasurer, and any other officers and finance committee members, and the name of the candidate for whom it is organized. A candidate may have only one political committee organized on his/her behalf. Any change in information previously submitted should be reported to the Office within ten days of such change. Political committees are prohibited from receiving or expending funds without a qualified treasurer. Any change in treasurer should therefore be submitted by completing **FORM CPF T101** and filing it with this Office immediately.

FORM CPF 102ND: Campaign Finance Report

FORM CPF 102ND must be completed by each candidate and each treasurer on or before the scheduled reporting dates. Every political committee is required to file **FORM CPF 102ND** and have the candidate and treasurer sign under the penalties of perjury on or before each reporting date as discussed in the next section. Candidates and treasurers are responsible for the legality, validity, completeness and accuracy of each of their reports. The following lists information which should be filed with or on **FORM CPF 102ND**:

Schedule A-Receipts: An alphabetical listing of all individuals who made contributions in excess of \$50 in a reporting period, including the date each contribution was received and the residential address of the contributor. This information must also be reported for receipts of \$50 or less if the total contributions from the individual have exceeded \$50 in the calendar year . Otherwise, amounts of \$50 and under are totaled on one line and included in total receipts.

Schedule B-Expenditures: An alphabetical listing of all disbursements of \$25 or more with the amount and date of payment, the name and address of the payee and the purpose of the expenditure. Those amounts under \$25 are totaled on one line and included in the total expenditures.

The law requires that all funds (whether receipts or expenditures) be identified as either FUNDRAISING or GENERAL. Any contribution which is made by purchasing something (e.g., a ticket to a dinner) is considered a fundraising receipt. All other receipts are considered general. Any expenditures connected with fundraising receipts are fundraising expenditures. All other expenditures are considered general.

Schedule C-In-Kind Contributions: This schedule lists each in-kind contribution representing anything of value other than money which has a value in excess of \$50, the date, the name and residential address of the contributor from whom it was received and a description of the contribution. For those contributions valued at \$50 and under, a one-line total is included in the total of all in-kind contributions for the period.

Schedule D-Liabilities: An alphabetical listing of all outstanding unpaid obligations as of the last day of the reporting period. Included is the date the liability was incurred, the name and address to whom it is due and the purpose of the liability.

Schedule E-Disclosure of Assets Statement: Disclosed on this annually-filed form are assets which have a useful life of more than one year, would be depreciable in a normal business environment, and have a cost/value of \$1,000 or more at time of acquisition.

All of the above information is summarized in a schedule on the front page of **FORM CPF 102ND**. Instructions for completing **FORM CPF 102ND** are printed on the form itself.

Filing Deadlines

Under the campaign finance laws, candidates and treasurers are required to file periodic campaign finance reports and are also responsible for the legality, validity, completeness and accuracy of their reports.

The following is a schedule for filing reports. **These reports must be filed whether or not money has been raised or expended during the reporting period and whether or not the candidate is nominated or elected.** Each report must be received by OCPF before the close of business (5:00 p.m.) on the day the report is due.

Pre-Primary Report: File on or before the 8th day preceding the state primary, complete from the day following the date of the last report through 10 days before the due date. If this is an initial report, it should be filed on or before the 8th day preceding the state primary, complete from the day following the date of the last election for the office the candidate is seeking through 10 days before the due date.

Pre-Election Report: File on or before the 8th day preceding the state election, complete from the day following the date of the last report through 10 days before the due date.

Year-End Report: File on or before January 10 in the following year complete from the day following the date of the last report through December 31. *This year-end report must be filed every year.* Schedule E must also be filed at this time in order for the report to be considered complete.

Special Elections: Candidates and treasurers in a special primary or election follow a similar reporting schedule as described above plus an additional report on or before the 30th day following the special election. Candidates should contact the Office for specific dates.

Each candidate and treasurer must file reports because each has the authority to receive and expend campaign funds. A candidate's committee cannot receive or expend monies unless a treasurer has been qualified. Candidates and treasurers are subject to penalties for failure to file reports. The Director of OCPF is required to refer the names of non-filers to the Attorney General for enforcement action.

*Seeking an Advisory Opinion*_____

Anyone wishing to receive guidance on his/her own campaign finance activities should contact the Office prior to undertaking a particular activity. This Office issues written advisory opinions to individuals based on written requests describing specific facts and circumstances. The Office will issue opinions only as to prospective activities. If you have any questions concerning advisory opinions, please contact the Office. You may also obtain informal, verbal advice by calling the Office at the numbers listed in this brochure.

In addition to specific advisory opinions, from time to time the Director issues Interpretative Bulletins setting policy guidelines on a variety of subjects. These documents are publicly available from OCPF and may be helpful in assisting candidates, committee chairs, treasurers and members of political committees or other organizations.

*Filing a Complaint*_____

If you have reason to believe that a violation of the campaign finance laws has occurred, you may file a complaint with the Office either in writing or in person. The Office investigates all matters brought to its attention, regardless of the source of the complaint. The identity of a complainant is considered confidential by the Office.

The Office policy on enforcement actions is such that we will not comment on any action under review. Consequently, an individual making a complaint will not receive periodic information on the status of his/her complaint. However, the complainant will receive notice of the public disposition of a case.

This Office welcomes individuals with information concerning any possible violation of the campaign finance law to call or write OCPF.

*Limitations on Contributions*_____

The following represents a summary of limitations placed on contributions made to a candidate or a candidate's committee.

- An individual may contribute up to an aggregate of \$1,000 to a candidate and that candidate's committee in a calendar year.
- An individual may contribute up to an aggregate of \$1,000 in a calendar year to any other political committee. However, there is no limit on contributions to ballot question committees.
- An individual under age 18 is limited to a total of \$25 in political contributions in a calendar year.
- A multi-candidate committee may contribute up to an aggregate of \$1,000 to a candidate and that candidate's committee in a calendar year.
- A candidate and a candidate's committee may not accept a contribution including an in-kind contribution of goods, services, equipment, personnel, facilities or the like, from a business corporation, or from any association or organization comprised in whole or in part of business corporations.
- The reporting of all contributions received by a candidate or a candidate's committee is required under M.G.L. Chapter 55. Some of the requirements for such disclosure are outlined below.
- The true name and address of the donor must be furnished by the contributor to the receiver of the contribution at the time the contribution is made.
- Contributions listed from a trust, foundation or association must include the names and residential addresses of its principal officers.
- Contributions from the same person which in the aggregate in a calendar year exceed \$50 must be by check or other negotiable instrument.

- Contributions of anything of value other than money are “in-kind” contributions and are reportable as such. Examples include but are not limited to rental space for campaign headquarters, furniture, office equipment, printing and postage, political advertisements, etc.
- Loans are defined as contributions except that bank loans made to a candidate in the ordinary course of business are not contributions.

Dissolution of a Committee _____

Consult with this Office prior to preparing your request for dissolution. Committees that do not dissolve must continue to report on a regular basis.

M.G.L. Chapter 55, section 18 provides that all residual funds from campaign accounts should be donated to the Commonwealth of Massachusetts (Local Aid Fund), c/o State Treasurer’s Office, State House, Boston, MA 02133.

Treasurers of candidate committees are required by law to preserve detailed accounts, vouchers and receipts for six years from the date of the relevant election. This statutory provision applies to all political committees organized in Massachusetts.

Limitations on Expenditures _____

- Expenditures by a committee organized on behalf of a candidate for the General Court may be made for the enhancement of the political future of the candidate so long as such expenditure is not primarily for the candidate's or any other person's personal use. OCPF should be consulted for more specific guidelines on this provision of the law.
- **This Office has promulgated regulations (970 CMR 1:00 *et seq.*) on expenditures and should be consulted for more specific guidelines on these requirements.**
- A candidate may make expenditures from his/her personal funds without limitation for the purposes of his/her own campaign, including making contributions to the committee organized on such candidate's behalf. All such expenditures and contributions must be fully disclosed on FORM CPF 102ND.
- A business corporation may not expend money on behalf of any candidate, candidate's committee, a multi-candidate committee, or committee of a political party, nor may it provide goods, services, equipment, personnel, facilities, etc., unless the corporation is paid fair market value for such items by the committee.
- Any expenditure for an amount exceeding \$50 must be made by check.
- The committee of a candidate for State Senate or House of Representatives may not give in the aggregate in a calendar year more than \$100 to another candidate or candidate's committee and the aggregate of all such contributions in a calendar year may not exceed \$1,500.
- Surplus money may be placed in an interest-bearing savings account or money market account. No other type of investment is permitted.

*Restrictions on Political Activities*_____

OCPF administers sections 13 through 17 of M.G.L. Chapter 55. These laws regarding public employees' political activity were designed to:

- Protect public employees from coercion in their employment.
- Separate governmental activity from political campaign activity.
- Protect individuals doing business with the state from being coerced into contributing to any political fund or rendering any political services.

NO state, county, city or town employee employed for compensation, other than an elected official, may directly or indirectly solicit or receive any contribution or anything of value for ANY political purpose whatsoever.

Soliciting or receiving campaign contributions by anyone in any building occupied for any state, county or municipal purpose is prohibited.

No person in the public service may be compelled to make a political contribution or to render any political service.

No public official or employee may be prejudiced in his or her employment for failure to make a political contribution, nor be so rewarded for making a political contribution.

No person doing business with the Commonwealth shall be under any obligation to contribute or render a political service to the campaign of a candidate.

A political committee may not solicit or receive a contribution on behalf of a candidate who is a state, county or municipal employee if the contributor has an interest in any particular matter in which the person so employed participates or which is the subject of his official responsibility.

Frequently Asked Questions_____

Q1: May a candidate be the treasurer of his/her political committee?

A1: No.

Q2: May the treasurer and chairman of a committee be the same person?

A2: Yes, unless such person is a public employee. A public employee cannot be a treasurer of any political committee.

Q3: May a business make a campaign contribution to a candidate?

A3: Business corporations are prohibited from contributing but an individual may use his/her non-incorporated business to make a contribution to the campaign fund of a candidate.

Q4: I am an appointed public employee. May I ask a friend or relative to purchase a ticket to a fundraiser for a candidate?

A4: No, section 13 prohibits this activity at any time.

Q5: I am an appointed public employee. May I run for public office?

A5: While M.G.L., Chapter 55 does not prevent a public employee from running for public office, it does prohibit fundraising by a public employee for *any* candidate. If you run for office, you must organize a political committee and have that committee handle all fundraising activity. You should also check with your agency or city/town for further guidance on other restrictions.

Q6: May a committee use the State House or a city/town hall as an address to send a contribution to a candidate's political committee?

A6: No, this is prohibited under M.G.L. Chapter 55, section 14.

Q7 How much may I contribute to my own campaign?

A7: While individual contributions are limited to \$1,000 in a calendar year, a candidate may contribute without limitation from his/her personal funds to his/her campaign.

Q8: What tax identification number should I give to the bank when opening an account for the campaign?

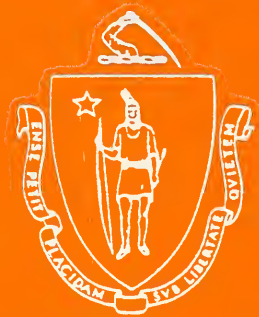
A8: The I.R.S. regulates U.S. revenue laws. Political campaigns should consult the I.R.S. for information on these laws and how to obtain an I.R.S. tax identification number at 617-523-1040. An individual's Social Security number should not be used for this purpose.

Q9: What is the reporting period and how do I figure out the inclusive dates?

A9: The reporting period is the period for which the candidate and his/her committee must report all campaign finance activity. This includes all activity from the day following the date of the previously filed report through 10 days before the due date (for example, the report due 8 days before the general election covers the period from the day following the date of the last report filed through 18 days prior to the general election). For first-time filers, the beginning date of the initial report is the day following the date of the last election for the office the candidate is seeking through 10 days before the due date.

Q10: If I would like to change some information on the previously filed FORM CPF 101ND (Statement of Organization), how would I go about doing so?

A10: Any changes to the originally-filed FORM CPF 101ND (Statement of Organization) must be made within 10 days of the actual change. For most changes, a letter of amendment clearly stating the change from the previously-filed FORM CPF 101ND may be filed with the Office. The only exception to this is in the case of a change of treasurer for which the candidate and the new treasurer should file a FORM CPF T101 (Change of Treasurer).



The Commonwealth of Massachusetts
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